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SUGAR REPORTS

U. S. DEPARTMENT OF AGRICULTURE • PRODUCTION AND MARKETING ADMINISTRATION • SUGAR BRANCH

WASHINGTON, D. C.

November 16, 1949

No. 6

Approved by the Outlook and Situation Board

1950

CONSUMPTION

REQUIREMENTS

The material included in this issue of Sugar Reports is provided for the information of those persons interested in the sugar requirements of consumers in the continental United States for the calendar year 1950 and the establishment of marketing quotas as authorized by the Sugar Act of 1948. A public hearing will be held in connection with these sugar requirements and quotas in the Auditorium, South Building, Department of Agriculture, Washington, D. C., on November 30, 1949, at 9:30 a.m. Interested persons may present orally at the hearing any data, views, or arguments pertaining to these matters.

In addition, the Department has announced that it will receive for consideration written data, views, and arguments concerning the matters to be discussed at the hearing and also on the sugar requirements for Hawaii and Puerto Rico for the calendar year 1950 and the sugar quotas for 1950 for local consumption in these two areas. Further, it will receive written data, views, and arguments on the amount by which any domestic area, the Republic of the Philippines, or Cuba will be unable to market the quota for such area in 1950 and the proration of such deficits to other sugar-producing areas. The domestic sugar producing areas are the Mainland cane sugar and beet sugar areas, Hawaii, Puerto Rico, and the Virgin Islands.

Data, views, and arguments submitted in writing must be in quadruplicate and must be received not later than December 12, 1949, by the Director, Sugar Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington, D. C.

Four sections of the Sugar Act are pertinent to the hearing and the filing of written material. Section 201 governs the determination of consumer requirements in the continental United States. Section 202 prescribes the method by which quotas shall be established by the Secretary and how he shall revise them if necessary. The determination of local consumption requirements and quotas for Hawaii and Puerto Rico is covered by Section 203. When the Secretary finds that any domestic area, the Republic of the Philippines, or Cuba is unable to market its quota, Section 204 prescribes how he shall prorate the deficits to other sugar-producing areas.

SUGAR REQUIREMENTS OF CONSUMERS

Section 201 of the Sugar Act of 1948 places upon the Secretary of Agriculture a responsibility which may be outlined as follows:

THE PROBLEM: To determine during December 1949 the quantity of sugar needed in 1950 to meet the requirements of consumers in the continental United States.

THE OBJECTIVE: To provide a supply of sugar that will be consumed at prices not excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry.

IN MAKING THIS
DETERMINATION,
THE SECRETARY
MUST:

Use as a basis:
the quantity of direct-consumption sugar distributed during the 12-month period ending October 31, 1949.

Make allowances:
for deficiency or surplus in inventories;
for changes in population;
for changes in demand conditions.

Take into consideration:
the above basis and allowances,
the level and trend of consumer purchasing power,
and
the relationship of:
wholesale refined sugar prices to the
Consumers' Price Index for two periods-
(1) Calendar year 1950
(2) January-October 1947

The tables and charts which follow are in the same general order as the above outline.

Section 201, as it appears in the Sugar Act reads as follows:

"The Secretary shall determine for each calendar year, beginning with the calendar year 1948, the amount of sugar needed to meet the requirements of consumers in the continental United States; such determinations shall be made during the month of December in each year for the succeeding calendar year (in the case of the calendar year 1948, during the first ten days thereof) and at such other times during such calendar year as the Secretary may deem necessary to meet such requirements. In making such determinations the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the twelve-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and for changes in consumption because of changes in population and demand conditions, as computed from statistics published by agencies of the Federal Government; and, in order that such determinations shall be made so as to protect the welfare of consumers and of those engaged in the domestic sugar industry by providing such supply of sugar as will be consumed at prices which will not be excessive to consumers and which will fairly and equitably maintain and protect the welfare of the domestic sugar industry, the Secretary, in making any such determination, in addition to the consumption, inventory, population, and demand factors above specified and the level and trend of consumer purchasing power, shall take into consideration the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor. "

DISTRIBUTION OF SUGAR

The Secretary of Agriculture is required to use as a basis for determining the 1950 requirements of consumers in the continental United States the quantity of sugar distributed for consumption in the November 1948-October 1949 period.

Table 1 DISTRIBUTION OF SUGAR BY PRIMARY DISTRIBUTORS FOR CONSUMPTION
IN CONTINENTAL UNITED STATES, 12-MONTH PERIOD ENDING OCTOBER 31, 1949
(1,000 short tons, raw value)

<u>1948</u>	
November	572
December	556
<u>1949</u>	
January	558
February	503
March	611
April	535
May	605
June	790
July	744
August	921
September	730
October	523 *
Total 12-month period	7,648

* Preliminary

PRIMARY DISTRIBUTORS' INVENTORIES OF SUGAR

The Secretary of Agriculture, when making the determination of the requirements of consumers in the continental United States for 1950, must "... make allowances for a deficiency or surplus in inventories of sugar. . ." When making the determination in December 1949 he will use the latest inventory data available for 1949 and comparable data for previous years.

Data on primary distributors' stocks as of October 31, November 30, and December 31 are shown in Table 2 for various years. Stock data for the year 1939 have been excluded because the suspension of quotas in September of that year was followed by abnormally large purchases of sugar. Stocks, therefore, were influenced accordingly.

The "quota stocks" shown in Table 2, except for 1947, represent sugar in stock which had been charged against the quota for the year shown; for 1947 quotas were not in effect and "quota stocks" were those which had been released from Customs' custody. "Over-quota stocks" were those which were charged to the succeeding year's quota becoming a part of the succeeding year's quota supply and were those held under bond for re-export.

Table 2.

STOCKS OF SUGAR HELD BY PRIMARY DISTRIBUTORS
OCTOBER 31, NOVEMBER 30 AND DECEMBER 31 IN SPECIFIED YEARS

(1,000 short tons, raw value)

	1935	1936	1937	1938	1940	Average of 5 years shown	1947	1948	1949
						<u>October 31 1/</u>			
Refiners raws	301	285	172	301	359	284	271	314	139
Refiners refined	340	459	329	406	360	379	115	193	155
Importers, D. C.	<u>208</u>	<u>93</u>	<u>83</u>	<u>98</u>	<u>77</u>	<u>112</u>	<u>35</u>	<u>54</u>	<u>30</u>
Sub-Total	849	837	584	805	796	775	421	561	324
Beet processors	<u>568</u>	<u>526</u>	<u>572</u>	<u>798</u>	<u>781</u>	<u>649</u>	<u>504</u>	<u>694</u>	<u>528</u>
GRAND TOTAL 2/	1,417	1,363	1,156	1,603	1,577	1,424	925	1,255	852
						<u>November 30</u>			
Refiners raws	256	242	212	298	392	280	272	267	
Refiners refined	338	366	368	388	334	359	150	120	
Importers, D. C.	<u>176</u>	<u>63</u>	<u>62</u>	<u>87</u>	<u>56</u>	<u>89</u>	<u>24</u>	<u>31</u>	
Sub-Total	770	671	642	773	782	728	446	418	
Beet processors	<u>941</u>	<u>929</u>	<u>1,023</u>	<u>1,293</u>	<u>1,283</u>	<u>1,094</u>	<u>934</u>	<u>1,087</u>	
GRAND TOTAL 2/	1,711	1,600	1,665	2,066	2,065	1,822	1,380	1,505	
						<u>December 31</u>			
"Quota stocks"									
Refiners raws	91	141	165	179	279	171	386	217	
Refiners refined	165	250	342	311	271	268	246	158	
Importers, D. C.	<u>114</u>	<u>57</u>	<u>43</u>	<u>77</u>	<u>37</u>	<u>66</u>	<u>19</u>	<u>18</u>	
Sub-Total	370	448	550	567	587	505	651	393	
"Over-quota stocks"									
Refiners raws	165	58	43	110	105	96	0	6	
Refiners refined	100	14	35	47	0	39	0	0	
Importers, D. C.	30	5	20	5	2	12	0	1	
Beet processors	<u>920</u>	<u>966</u>	<u>1,084</u>	<u>1,383</u>	<u>1,602</u>	<u>1,191</u>	<u>1,231</u>	<u>1,039</u>	
GRAND TOTAL 2/	1,585	1,491	1,732	2,112	2,296	1,843	1,882	1,439	

1/ 1949 data as of October 29.

2/ Does not include stocks held by mainland cane mills, since such data are not available for 1935-38.

"INVISIBLE" SUPPLIES OF SUGAR, JULY-SEPTEMBER 1949

Reports have been received from 1,301 retailers, wholesalers and industrial users of sugar covering the third quarter of 1949. Table 3 summarizes the data reported by those firms.

Table 3. - Sugar, Stocks, Receipts, and Deliveries or Usage, July-September, 1949, as Reported by 1,301 Retailers, Wholesalers and Industrial Users

	Short tons, raw value
Stocks, July 1	226,252
Receipts, July-September	1,074,495*
Deliveries or usage, July-September	1,081,000
Stocks, September 30	219,747

*These receipts represent approximately 45% of the total deliveries of sugar by primary distributors (sugar refiners, processors, and importers) during the third quarter of 1949.

Stocks reported on September 30, 1949 and on the same date in previous years were as follows:

Year	Number of firms Reporting	Stocks, September 30 (short tons, raw value)	Percentage of deliveries by primary distributors represented by receipts of companies reporting (Percent)
1938	1,321	250,874	40
1939	1,383	377,343	47
1940	1,302	401,226	46
1947	1,037	237,243	48
1948	1,309	247,697	43
1949	1,301	219,747	45

Table 4 summarizes the stocks, receipts and deliveries or usage during the first three quarters of 1948 and 1949, as reported by 729 firms.

The receipts of these firms represent approximately 36 percent of the total distribution of sugar by primary distributors during the first nine months of the two years.

Stocks held by the firms on September 30 were approximately the same as those on July 1, and on September 30, 1948, but were 11 percent higher than on January 1, 1949.

SUGAR INVENTORIES OF PRIVATE HOUSEHOLDS, JULY 1949

A third survey of sugar stocks in private households was made in July 1949 by the Bureau of the Census at the request of the Department. Previous surveys were made in June 1948 and January 1949. The report of the Bureau of the Census for July 1949 is reproduced in full below. The qualifications mentioned by the Bureau should be taken into consideration when evaluating the information disclosed by the survey.

"There was a total of about 264 million pounds of sugar of all kinds on hand in private households in July 1949, according to the results of a sample survey conducted by the Bureau of the Census for the Department of Agriculture. This amount was about the same as the total found in January 1949, when a similar survey was conducted, but was somewhat less than the 307 million pounds estimated for June 1948.

"About three-quarters of the households had seven or less pounds of sugar on hand in July. For all households, the average supply in July as in January 1949 was $6\frac{1}{4}$ pounds; in June a year ago, a $7\frac{1}{2}$ pound average had been recorded. As was noted in the previous surveys, rural-farm households had, on the average, about twice as much sugar on hand as urban and rural-nonfarm households.

"The results of the survey are subject to errors of response and non-response as well as sampling variability, which may be large in cases where the quantities shown are relatively small. Therefore, the smaller estimates should be used with caution as explained in the section on source and reliability of the estimates.

"The results are summarized in tables 5 and 6 below.*

Table 5.--SUGAR SUPPLY IN PRIVATE HOUSEHOLDS:
JANUARY AND JULY 1949 AND JUNE 1948

Area	July 1949		January 1949		June 1948	
	Total (millions of pounds)	Average per household (pounds)	Total (millions of pounds)	Average per household (pounds)	Total (millions of pounds)	Average per household (pounds)
All house- holds.....	264	$6\frac{1}{4}$	258	$6\frac{1}{4}$	307	$7\frac{1}{2}$
Urban.....	129	5	133	$5\frac{1}{4}$	149	6
Rural-nonfarm.	60	$6\frac{1}{4}$	56	6	66	$7\frac{1}{2}$
Rural-farm....	75	$10\frac{1}{2}$	69	10	92	$13\frac{1}{4}$

* Tables 1 and 2 in original report

"Table 6.--PERCENTAGE DISTRIBUTION OF HOUSEHOLDS BY SIZE OF SUGAR SUPPLY: JANUARY AND JULY 1949 AND JUNE 1948

Number of pounds of sugar on hand	Percent of total households		
	July 1949	January 1949	June 1948
All households.....	100.0	100.0	100.0
2 pounds or less.....	27.0	26.1	24.2
3 to 7 pounds.....	51.2	51.4	48.6
8 to 12 pounds.....	14.4	15.1	16.8
13 pounds and over.....	7.4	7.5	10.4

"Definitions of Terms

"Households.--The data presented here relate to private households. Rooming houses, institutions, hotels, trailer camps, and similar places are excluded.

"Urban and rural areas.--The urban and rural areas are those that were classified as urban or rural on the basis of the results of the 1940 census. All incorporated places having 2,500 or more inhabitants in 1940 were classified as urban, together with certain additional areas declared urban under special rules. All other areas were classified as rural.

"Farm and nonfarm classification.--The classification of the rural households as farm and nonfarm is based on residence at the time of the enumeration, not on whether the person was engaged in agricultural work. Thus, the rural-farm households are those living on farms at the time of the survey, in areas that were classified as rural in 1940. Rural-nonfarm households live in a wide variety of places ranging from isolated areas in the open country to unincorporated and small incorporated places adjacent to large cities.

"Source and reliability of the estimates.--The estimates presented here are based on data obtained in connection with the Census Bureau's monthly population sample survey, the sample consisting of about 25,000 households located in 68 areas in 42 States and the District of Columbia. The information was obtained by personal interview with one representative of each household, usually the housewife.

"Since the estimates are based on sample data, they are subject to sampling variability. For example, the sugar supply in private households was estimated at 264 million pounds in July 1949. The chances are about 19 out of 20 that the difference between the estimate and the figure which would have been obtained from a complete census is less than 14 million pounds. The estimated change in sugar inventories between June 1948, and July 1949, was 43 million pounds. The chances are about 19 out of 20 that the difference between the estimated change and the change which

would have been observed from complete censuses is less than 10 million pounds. The average sugar inventory per household was estimated at $6\frac{1}{4}$ pounds. The chances are about 19 out of 20 that the difference between the estimated average and the average which would have been obtained from a complete census is less than $\frac{1}{2}$ pound. The approximate sampling variability of estimated percentages for July and January 1949, and June 1948, is indicated by the following table. The chances are about 19 out of 20 that the difference between the estimated percentage and the percentage which would have been obtained from a complete census is less than the sampling variability shown below.

<u>" Estimated Percentages</u>	<u>Sampling Variability</u>
5	0.5
10	0.8
25	1.3
50	1.5
75	1.3

"In addition to sampling variability, the estimates are subject to biases due to errors of response and to nonreporting. These biases may be particularly large in a survey such as this. Respondents' replies are not always accurate and may be influenced by such personal factors as fear of rationing, fear of disapproval if the actual number of pounds of sugar on hand were reported, and the feeling that the government has no right to ask such a personal question. The possible effect of such biases is not included in the measures of reliability shown above."

POPULATION CHANGES

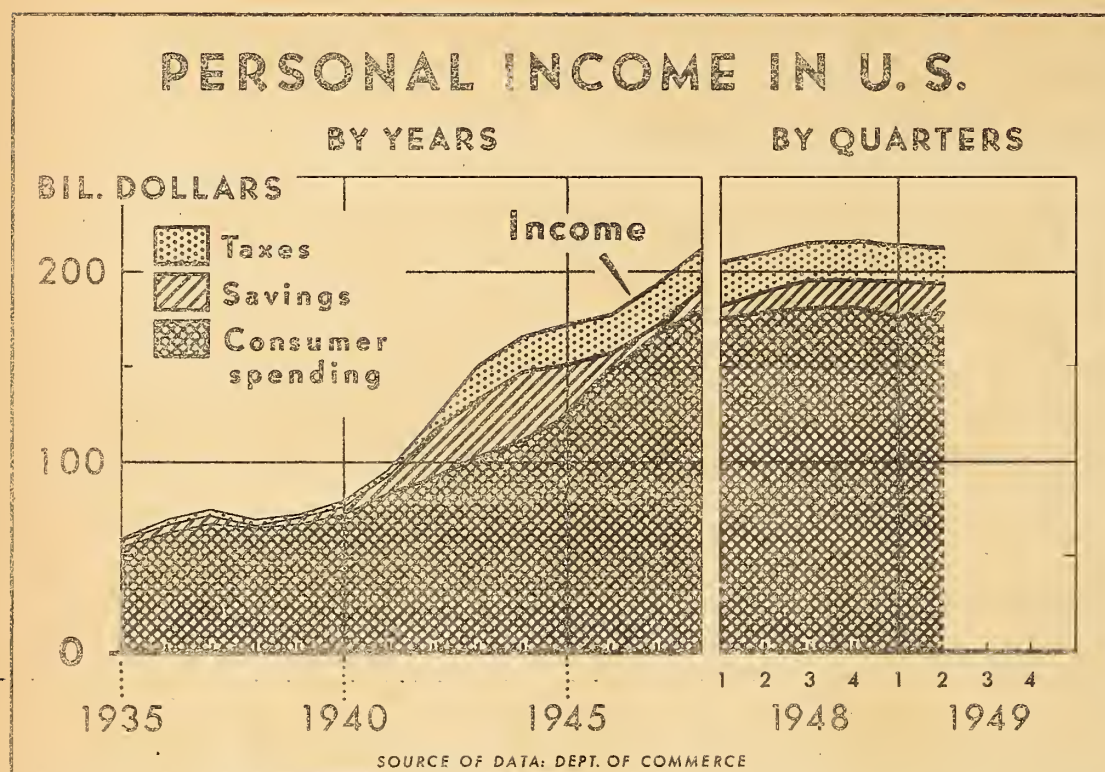
Section 201 of the Sugar Act requires the Secretary of Agriculture to make allowances for population changes when determining the requirements of consumers in the continental United States for the calendar year 1950. These data are shown in Table 7 together with that on the distribution of sugar in the respective years.

Table 7. POPULATION 1935-1950, SUGAR DISTRIBUTION BY PRIMARY DISTRIBUTORS AND PER CAPITA SUGAR DISTRIBUTION, IN THE CONTINENTAL UNITED STATES 1935-48

Calendar Year	Population 1/ (000 omitted)	Distribution of Sugar by Primary Distributors		
		1,000 short tons raw value	Pounds, per capita raw value refined	
1935	127,250	6,634	104.27	97.45
1936	128,053	6,706	104.74	97.89
1937	128,825	6,671	103.57	96.79
1938	129,825	6,643	102.34	95.64
1939	130,830	6,868	104.95	98.08
1940	131,970	6,891	104.43	97.60
1941	133,203	8,069 2/	121.15 2/	113.22 2/
1942	134,665	5,466 2/	81.18 2/	75.87 2/
1943	136,497	6,335	92.82	86.75
1944	138,083	7,147	103.52	96.75
1945	139,586	6,040	86.55	80.89
1946	141,235	5,621	79.60	74.39
1947	144,024	7,448 3/	103.43 3/	96.66 3/
1948	146,571	7,343 3/	100.20 3/	93.64 3/
1949	149,215			
1950	149,886 4/			

- 1/ Total population of continental U. S. as of July 1, including armed forces overseas (Bureau of the Census).
- 2/ Unusually large distribution in 1941 due to outbreak of war in Europe; large quantities carried over into 1942 by consumers.
- 3/ Because of termination of rationing and price controls distribution in last half of 1947 larger than normal; large quantities undoubtedly carried over into 1948 by consumers.
- 4/ February 1949 forecast by Bureau of Census; final estimate expected to be higher.

FIGURE I



U. S. DEPARTMENT OF AGRICULTURE

NEG. 45969-XX BUREAU OF AGRICULTURAL ECONOMICS

Consumer incomes and expenditures have been fairly stable despite the moderate downturn in business activity and employment. Unemployment compensation, agricultural

support programs, and other governmental measures are among the reasons for this stability.

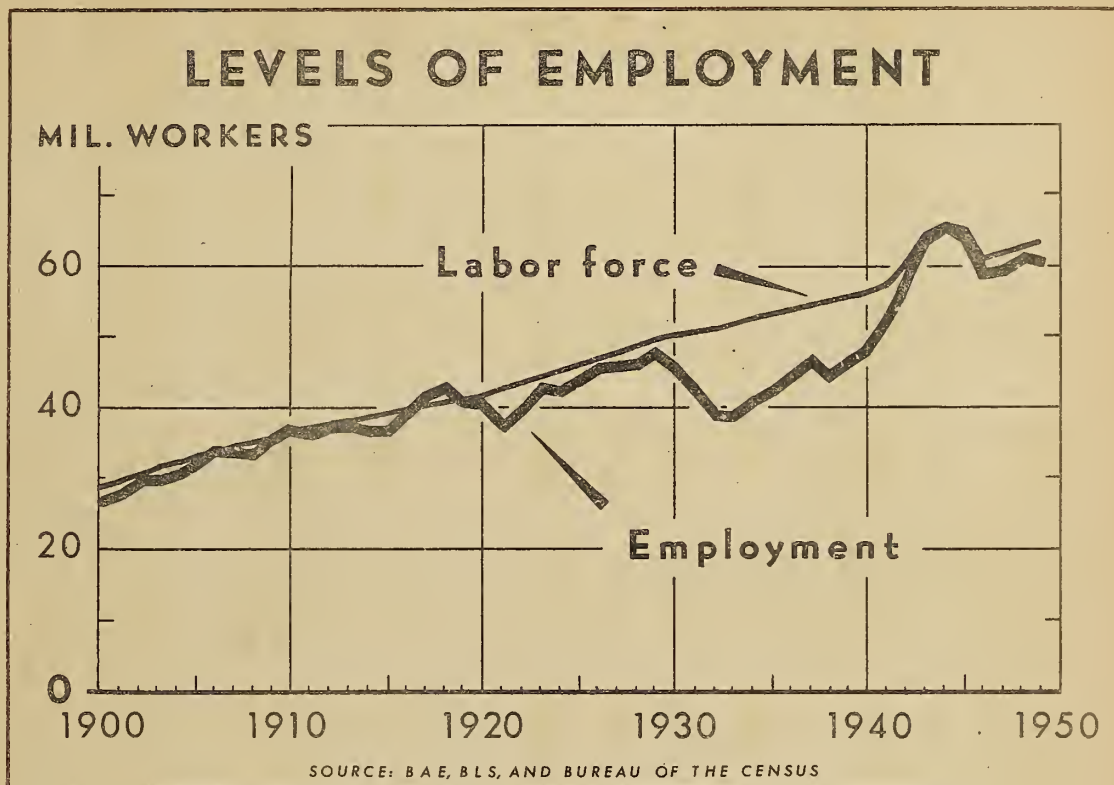
Consumer expenditure and personal income, total and disposable, United States,
1935-48 and by quarters, January 1948-June 1949

Year	Consumer expenditures	Disposable personal income	Personal income payments	Year	Consumer expenditures	Disposable personal income	Personal income payments
	Billion dollars	Billion dollars	Billion dollars		Billion dollars	Billion dollars	Billion dollars
1935	55.2	58.0	59.9	1948 1/			
1936	62.5	66.1	68.4	1st. qr.	175.2	181.9	205.1
1937	67.1	71.1	74.0	2nd. qr.	178.7	189.6	210.3
1938	64.5	65.5	68.3	3rd. qr.	180.3	195.2	215.4
1939	67.5	70.2	72.6	4th. qr.	180.9	196.2	216.6
1940	72.1	75.7	78.3	1949 1/			
1941	82.3	92.0	95.3	1st. qr.			
1942	91.2	116.7	122.7	2nd. qr.	177.9	195.0	213.7
1943	102.2	132.4	150.3		178.2	194.2	212.9
1944	111.6	147.0	165.9				
1945	123.1	161.1	171.9				
1946	147.8	158.1	176.9				
1947	166.9	172.0	193.5				
1948	178.8	190.8	211.9				

1/ Quarterly totals seasonally adjusted at annual rates.

Compiled from records of the Department of Commerce.

FIGURE II



U. S. DEPARTMENT OF AGRICULTURE

NEG. 43805A-XX BUREAU OF AGRICULTURAL ECONOMICS

Despite some increase in unemployment in 1949, employment remained high. High employment and wage rates are the most important contributors to the high level of

consumer incomes. If employment continues to decline, consumer incomes and demand for farm products also will be lower.

Labor force, employment and employment as a percentage of the labor force in the United States, 1929-49

Year	Labor force	Number employed including armed forces	Number employed as percentage of labor force	Year	Labor force	Number employed including armed forces	Number employed as percentage of labor force
	Millions	Millions	Millions		Millions	Millions	Millions
1929	49.4	47.9	97	1940	56.2	48.0	85
1930	50.1	45.8	91	1941	57.5	52.0	90
1931	50.7	42.7	84	1942	60.4	57.8	96
1932	51.2	39.2	77	1943	64.6	63.5	98
1933	51.8	39.0	75	1944	66.0	65.4	99
1934	52.5	41.2	78	1945	65.3	64.2	98
1935	53.1	42.6	80	1946	61.0	58.7	96
1936	53.7	44.7	83	1947	61.6	59.4	96
1937	54.3	46.6	86	1948	62.7	60.7	97
1938	55.0	44.5	81	1949 ^{1/}	63.7	60.1	94
1939	55.6	46.2	83				

^{1/} Partly estimated.

Bureau of Labor Statistics and Bureau of the Census.

Table 8. NUMBER OF PRODUCTION AND RELATED WORKERS EMPLOYED
IN FOOD AND KINDRED PRODUCTS AND SELECTED SUGAR-CONSUMING INDUSTRIES,
1947-48 ANNUAL AND JANUARY-AUGUST 1949 =

Industry	1947 Average	1948 Average	1949 (in thousands)						
			Jan.	Feb.	Mar.	Apr.	May	June	July
Food and Kindred Products	1,216	1,197	1,097	1,073	1,069	1,071	1,095	1,153	1,224
									1,364
									1,143
Dairy Products	115.2	111.0	98.6	100.0	103.3	107.8	115.3	122.1	122.2
									116.4
									110.7
Sugar Manufacturing	33.9	30.0	24.8	23.5	22.9	22.7	22.6	22.8	23.7
									25.7
									25.6
Bakery Products	194.0	195.5	190.0	188.6	185.3	186.0	187.8	191.7	190.5
									194.4
									189.3
Bottled Soft Drinks	2/	2/	*	*	*	*	*	*	*
									*
Confectionery and Related Products	84.0	85.9	86.4	82.4	79.3	77.8	73.6	71.1	69.9
									93.2
									79.2
Canning and Pre-serving	198.2	195.3	118.2	108.3	109.9	125.0	130.9	169.0	220.1
									338.6
									165.0

* Not available.

- 1/ Source: Dept. of Labor. Data are based upon reports from cooperating establishments covering both full- and part-time employees who worked during or received pay for the pay period ending nearest the 15th of the month. The employment series have been adjusted to levels indicated by Federal Security Agency data for 1947, and have been carried forward from 1947 bench-mark levels, thereby providing consistent series.
- 2/ The Census of Manufacturers shows that there were 5,600 establishments in the soft drink industry in 1947 having a total of approximately 80,000 employees of which approximately one-half were classified as production and related workers. The Bureau of Labor Statistics indicates that the number of employees below the supervisory level in 1947 varied from around 26,000 to 36,000 workers.

Table 9.

AVERAGE WEEKLY EARNINGS OF PRODUCTION AND RELATED WORKERS:
IN FOOD AND KINDRED PRODUCTS AND SELECTED SUGAR-CONSUMING INDUSTRIES,
1947-48 ANNUAL AND JANUARY-AUGUST 1949 1/

Industry	1947	1948	1949									
	Average	Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Jan-Aug. Avg.	
			(in dollars)									
Food and Kindred Products	42.82	51.87	53.62	53.07	52.80	52.33	53.44	53.62	54.69	52.92	53.31	
Sugar Manufacturing	49.17	52.04	55.04	54.95	53.40	51.45	55.08	57.93	57.72	56.57	55.27	
Dairy Products	47.54	52.26	54.34	54.59	53.77	54.10	54.47	55.23	55.71	54.80	54.63	
Bakery Products	45.41	49.35	49.82	51.28	50.34	51.07	51.61	52.29	52.62	51.75	51.35	
Bottled Soft Drinks	44.82	46.26	45.82	47.05	46.89	47.09	48.58	50.20	50.69	49.83	48.27	
Confectionery and Related Products	41.04	44.00	44.70	43.88	44.60	42.71	42.86	44.76	43.69	45.19	44.05	
Canning and Pre-serving	41.33	42.63	42.61	43.89	42.89	43.07	43.65	42.63	43.59	44.04	43.30	

1/ Source: Dept. of Labor. Data are based upon reports from cooperating establishments covering both full- and part-time employees who worked during or received pay for the pay period ending nearest the 15th of the month. The employment series have been adjusted to levels indicated by Federal Security Agency data for 1947, and have been carried forward from 1947 bench-mark levels, thereby providing consistent series.

FIGURE III



U. S. DEPARTMENT OF AGRICULTURE

NEG. 46417-XX BUREAU OF AGRICULTURAL ECONOMICS

Over the long run, production per worker in manufacturing and mining has increased more than production per farm worker. But during the last 15 years the increase in production per worker in agriculture has been about the

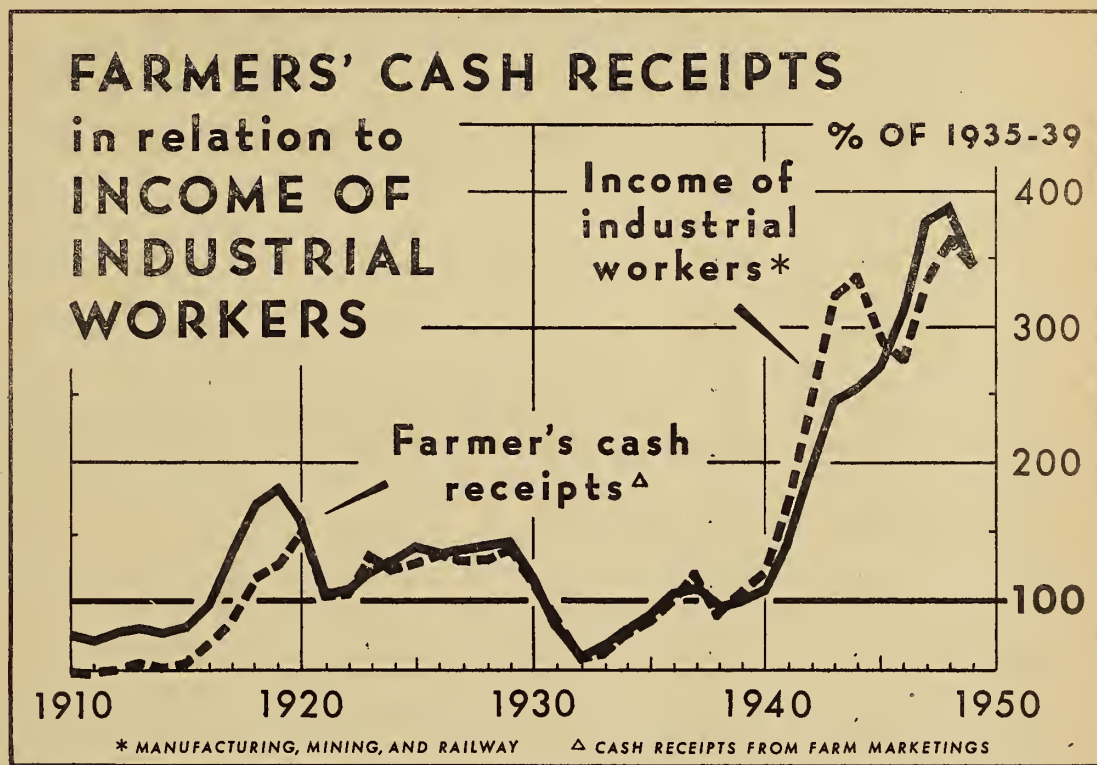
same as in manufacturing and mining. Since World War II, however, production per farm worker has continued its upward trend, whereas in industry a decline has occurred.

Index numbers of gross production per farm worker and production per worker in manufacturing and mining, United States, 1919-48 ^{1/}
(1935-39 = 100)

Year	Gross production per farm worker	Production per worker in manufacturing and mining	Year	Gross production per farm worker	Production per worker in manufacturing and mining
1910	79	62	1930	96	95
1911	80	59	1931	103	92
1912	86	66	1932	101	85
1913	80	68	1933	94	91
1914	86	64	1934	83	85
1915	89	69	1935	95	93
1916	83	69	1936	86	102
1917	89	66	1937	107	102
1918	92	64	1938	105	95
1919	94	65	1939	107	108
1920	97	68	1940	111	115
1921	87	67	1941	117	122
1922	92	78	1942	129	129
1923	94	81	1943	128	136
1924	93	81	1944	135	138
1925	94	87	1945	137	135
1926	95	90	1946	137	120
1927	97	92	1947	130	120
1928	99	96	1948 ^{1/}	142	121
1929	98	101			

^{1/} Preliminary.

FIGURE IV



U. S. DEPARTMENT OF AGRICULTURE

NEG. 42554-XX BUREAU OF AGRICULTURAL ECONOMICS

Both cash receipts from farm marketings and incomes of industrial workers have moved down from the record levels of 1948, but are still substantially above prewar.

These two important segments of national income usually move together. They are sensitive to changes in the general price level and in over-all business activity.

Cash receipts from farm marketings and income of industrial workers, United States, 1910-49
Index numbers (1935-39 = 100)

Year	Cash receipts from farm marketings	Income of industrial workers ^{1/}	Year	Cash receipts from farm marketings	Income of industrial workers ^{1/}	Year	Cash receipts from farm marketings	Income of industrial workers ^{1/}
1910	73	48	1925	138	126	1940	105	119
1911	70	47	1926	132	131	1941	140	169
1912	75	50	1927	135	127	1942	193	241
1913	78	53	1928	139	127	1943	244	322
1914	76	50	1929	142	134	1944	255	336
1915	80	53	1930	113	110	1945	270	291
1916	97	69	1931	80	84	1946	312	275
1917	135	86	1932	59	58	1947	379	332
1918	169	115	1933	67	61	1948	389	364
1919	183	124	1934	79	76	1949 ^{2/}	345	345
1920	158	151	1935	89	86			
1921	102	102	1936	105	100			
1922	108	105	1937	111	117			
1923	120	130	1938	96	91			
1924	128	121	1939	99	105			

^{1/} Based largely on Bureau of Labor Statistics and Interstate Commerce Commission data. Includes wages of factory, mining, and Class I railway employees.

^{2/} Tentative estimates.

Table 10 SUGAR BEETS AND SUGARCANE SEASON AVERAGE PRICE
PER TON (DOLLARS) RECEIVED BY FARMERS 1/ AND PARITY PRICES

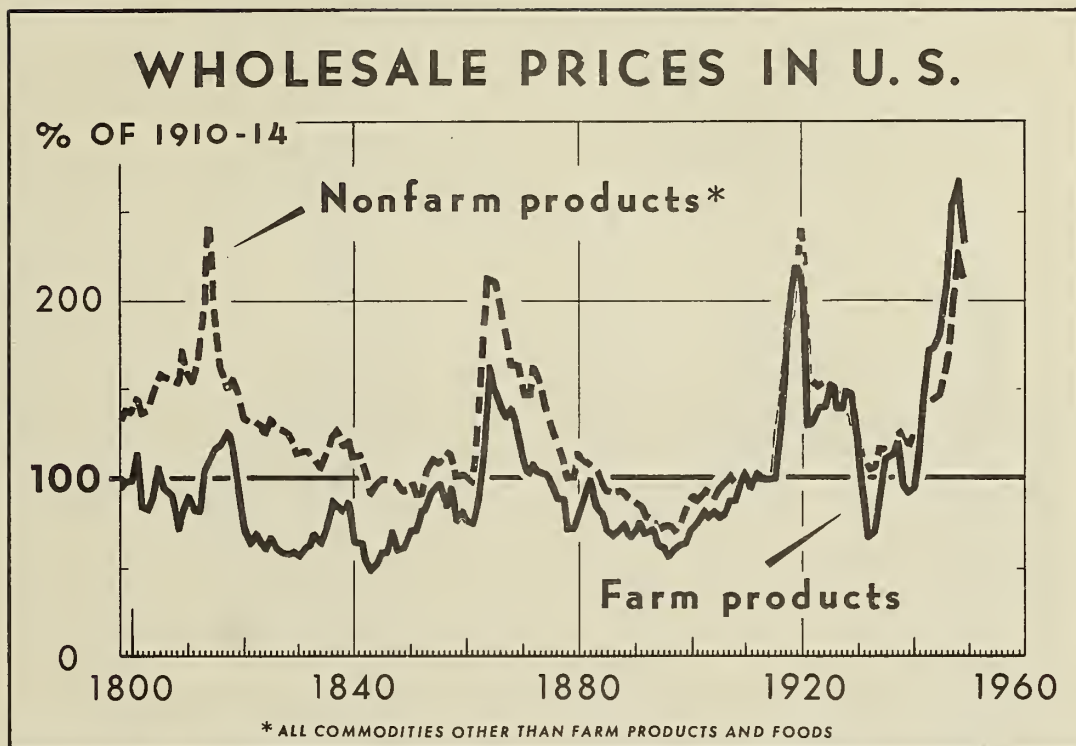
Year	SUGAR BEETS			SUGARCANE		
	United States:			Louisiana and Florida		
	Price	Parity	Price as %	Price	Parity	Price as %
	: Received:	Price	: of Parity	: Received:	Price	: of Parity
1937	7.15	7.32	98	3.86	4.96	78
1938	6.52	6.93	94	3.75	4.70	80
1939	6.71	6.82	98	3.88	4.63	84
1940	7.00	6.88	102	3.91	4.66	84
1941	8.33	7.26	115	4.97	4.92	101
1942	9.28	8.25	112	5.80	5.60	104
1943	11.42	8.91	128	5.93	6.04	98
1944	13.22	9.30	142	6.26	6.30	99
1945	12.69	9.46	134	6.99	6.42	109
1946	13.63	10.62	128	7.98	7.20	111
1947	14.34	12.70	113	8.53	8.62	99
1948	12.85 <u>2/</u>	13.70	94	7.12 <u>2/</u>	9.29	77

1/ Represents gross Sugar Act payments relative to sugar beets and sugarcane marketed before applying penalties that were imposed in several years and before deducting county association expenses in years charged. Crop deficiency and acreage abandonment payments not included. Includes conditional payments under the Sugar Act of 1937 computed at basic rates before adjusting for reductions applicable to large producers. Also includes price support payments for sugar beets 1942 through 1947, and for sugarcane 1943, 1944 and 1945.

2/ Preliminary.

Sources: Bureau of Agricultural Economics and Sugar Branch, PMA.

FIGURE V



U. S. DEPARTMENT OF AGRICULTURE

NEG. 23549-XX BUREAU OF AGRICULTURAL ECONOMICS

The first significant price downturn since the beginning of World War II occurred in late 1948. Wholesale prices of farm products have fallen earlier and farther than non-farm, repeating the pattern of decline from inflationary peaks of

the past 150 years. With the easing of most inflationary pressures, the general downtrend is likely to continue into 1950.

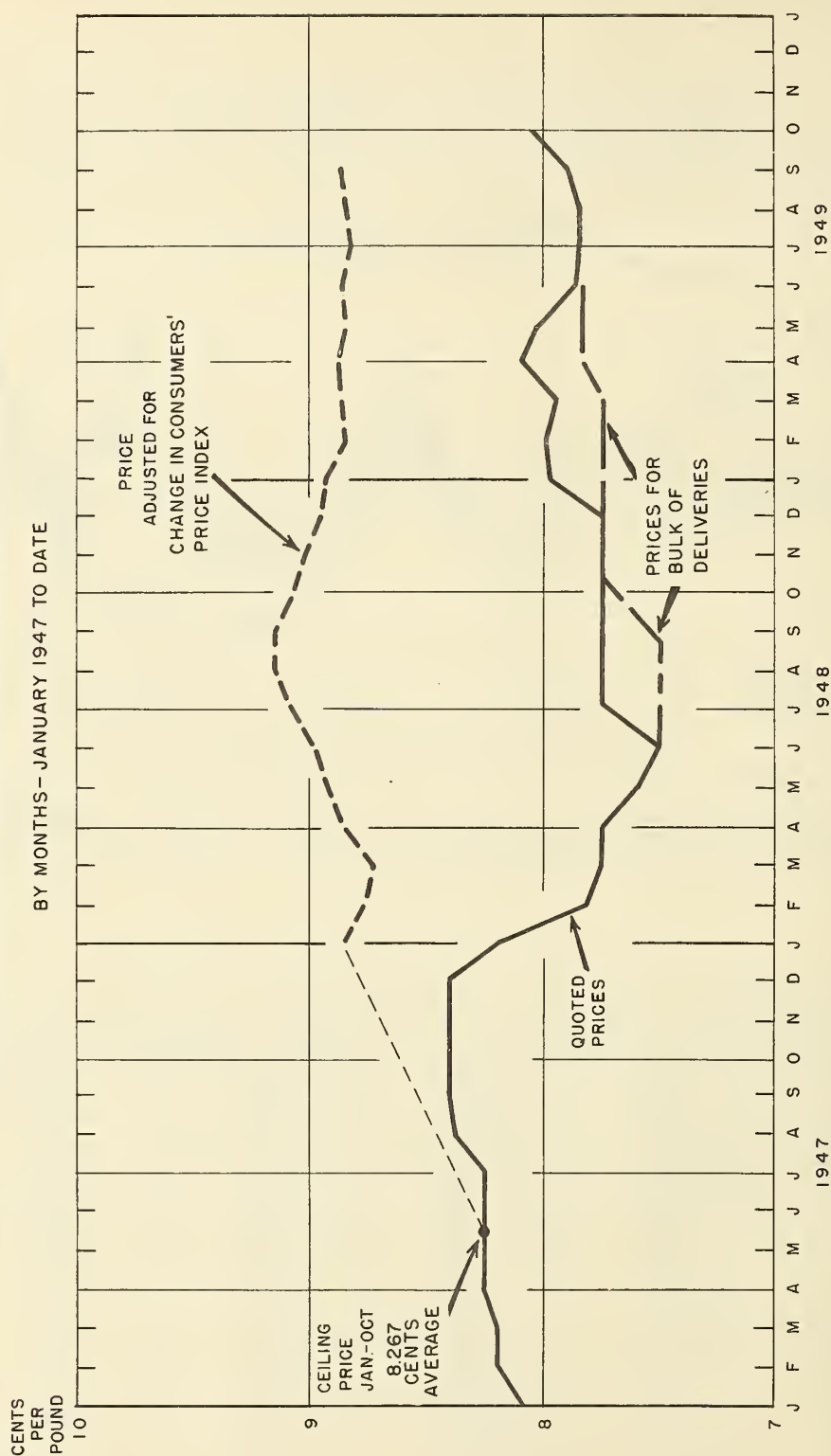
Wholesale prices of farm and nonagricultural products, United States, 1798 - 1949
Index numbers (1910-14 = 100)

Year	Farm products	Nonfarm products	Year	Farm products	Nonfarm products	Year	Farm products	Nonfarm products	Year	Farm products	Nonfarm products	Year	Farm products	Nonfarm products
1798	93	132	1830	58	114	1862	86	113	1894	63	71	1926	140	148
1799	98	137	1831	61	116	1863	113	150	1895	62	74	1927	139	139
			1832	63	116	1864	162	214	1896	56	74	1928	148	138
1800	99	137	1833	69	111	1865	148	210	1897	60	70	1929	147	136
1801	113	144	1834	64	107	1866	140	197	1898	63	74			
1802	84	136	1835	75	114	1867	133	176	1899	64	85	1930	124	126
1803	83	138	1836	89	123	1868	138	163				1931	91	111
1804	89	148	1837	84	127	1869	128	163	1900	71	89	1932	68	104
1805	106	157	1838	82	119				1901	74	86	1933	72	106
1806	95	157	1839	86	122	1870	112	146	1902	82	90	1934	92	116
1807	92	155				1871	102	146	1903	78	94	1935	111	115
1808	71	154	1840	65	112	1872	108	160	1904	82	91	1936	113	118
1809	83	171	1841	64	113	1873	103	156	1905	79	94	1937	121	126
			1842	53	103	1874	102	139	1906	80	98	1938	96	121
1810	90	161	1843	48	92	1875	99	127	1907	87	102	1939	92	120
1811	82	154	1844	52	97	1876	89	120	1908	87	95			
1812	81	166	1845	58	99	1877	89	111	1909	98	100	1940	95	123
1813	104	204	1846	58	99	1878	72	100				1941	116	132
1814	112	241	1847	72	98	1879	72	100	1910	104	104	1942	149	141
1815	117	203	1848	59	94				1911	94	95	1943	172	144
1816	119	163	1849	62	92	1880	80	113	1912	102	99	1944	173	146
1817	126	150				1881	89	109	1913	100	104	1945	180	148
1818	117	155	1850	71	95	1882	99	110	1914	100	98	1946	209	162
1819	87	146	1851	71	90	1883	87	107	1915	100	101	1947	254	200
			1852	77	91	1884	82	99	1916	118	131	1948	264	224
1820	68	134	1853	83	105	1885	72	92	1917	181	169	1949	233	212
1821	64	132	1854	93	112	1886	68	91	1918	208	185			
1822	70	132	1855	98	108	1887	71	92	1919	221	191			
1823	64	130	1856	84	112	1888	75	92						
1824	61	126	1857	95	114	1889	67	89	1920	211	239			
1825	67	133	1858	76	101				1921	184	155			
1826	62	128	1859	82	101	1890	71	86	1922	132	152			
1827	59	127				1891	75	84	1923	138	154			
1828	58	125	1860	77	101	1892	69	78	1924	140	148			
1829	59	121	1861	75	98	1893	72	78	1925	154	152			

Compiled from Warren and Pearson, 1798-1889; Bureau of Labor Statistics, 1890 to date.

1/ Preliminary.

WHOLESALE REFINED SUGAR PRICES
QUOTED GROSS PRICES AND 1947 AVERAGE CEILING PRICE
ADJUSTED FOR CHANGES IN CONSUMERS' PRICE INDEX



U. S. DEPARTMENT OF AGRICULTURE

PRODUCTION AND MARKETING ADMINISTRATION

Sugar prices have recovered somewhat from the low point of 1948 but they are still below the ceiling prices in effect under price control in 1947 and also below the level which would bear the same relationship to the Consumers' Price Index which prevailed during the last ten months of price control.

Table 11 WHOLESALE SUGAR PRICES - QUOTED GROSS PRICES AND
1947 AVERAGE CEILING PRICE ADJUSTED FOR CHANGES
IN CONSUMERS' PRICE INDEX
Monthly, January 1947 to date -

Period	Quoted Prices 1/ (cents, per pound)	1947 Average Ceiling Price Adjusted for Changes in Consumers' Price Index 2/ (cents, per pound)	
<u>1947</u> Jan.	8.09		
Feb.	8.20		
Mar.	8.20		
April	8.25		
May	8.25		
June	8.25		
July	8.25		
August	8.38		
Sept.	8.40		
October <u>3/</u>	8.40		
Nov.	8.40		
Dec.	8.40		
Average	8.29		
<u>1948</u> Jan.	8.21	8.84	
Feb.	7.82	8.77	
Mar.	7.75	8.87	
April	7.75	8.87	
May	7.60	8.93	
June	7.51	8.99	
July	7.75	9.10	
August	7.75	9.14	
Sept.	7.75	9.14	
October	7.75	9.09	
Nov.	7.75	9.02	
Dec.	7.75	8.98	
Average	7.76	8.97	
<u>1949</u> Jan.	7.99	8.95	
Feb.	8.00	8.85	
Mar.	7.96	8.88	
Apr.	8.10	8.89	
May	8.02	8.86	
June	7.87	8.83	
July	7.85	8.82	
August	7.85	8.84	
Sept.	7.90	8.88	
Jan.-Sept. Avg.	7.95	8.87	
Oct.	8.05	Not available	
Nov.	8.05 Preliminary	" "	
Jan.-Nov. Average	7.97	" "	

1/ Ceiling prices Jan.-Oct. 1947; average 8.267¢. Quoted prices November 1947 to date. Both groups of prices subject to 2 percent discount, 10 days.

2/ Average price Jan.-Oct. 1947 (8.267¢) divided by Consumers' Price Index for Jan.-Oct. 1947 multiplied by Consumers' Price Index for respective month.

3/ Last month of price control.

SUGAR PRICES ADJUSTED FOR CHANGES
IN CONSUMERS' PRICE INDEX

Among the things which the Secretary of Agriculture must consider in making his consumption estimate determination for 1950 is " . . . the relationship between the prices at wholesale for refined sugar that would result from such determination and the general cost of living in the United States as compared with the relationship between prices at wholesale for refined sugar and the general cost of living in the United States obtaining during 1947 prior to the termination of price control of sugar as indicated by the Consumers' Price Index as published by the Bureau of Labor Statistics of the Department of Labor."

Since the Sugar Act of 1948 became effective, quoted wholesale sugar prices have been below the levels which would bear the same relationship to the Consumers' Price Index as that which prevailed during January-October 1947. Through September, wholesale sugar prices for 1949 averaged 89.6 percent of the price calculated by use of the sugar price - Consumers' Price Index relationship. Figure VI and Table 11 show a comparison of the two series of prices.

.....

SUGAR PRICES IN RELATION TO PRICES OF ALL FOODS

Index numbers of prices based on 1935-39 averages show that since January 1948 wholesale prices of sugar have been lower than the average prices of all foods at wholesale. Sugar prices at retail have been slightly higher relatively than the combined index of all items comprising the Consumers' Price Index but were substantially lower than the average prices of all foods. Index numbers of prices for sugar and all foods at wholesale and retail, the Consumers' Price Index, and various sugar prices are shown in Table 12 for the period January 1947 to date.

Table 12

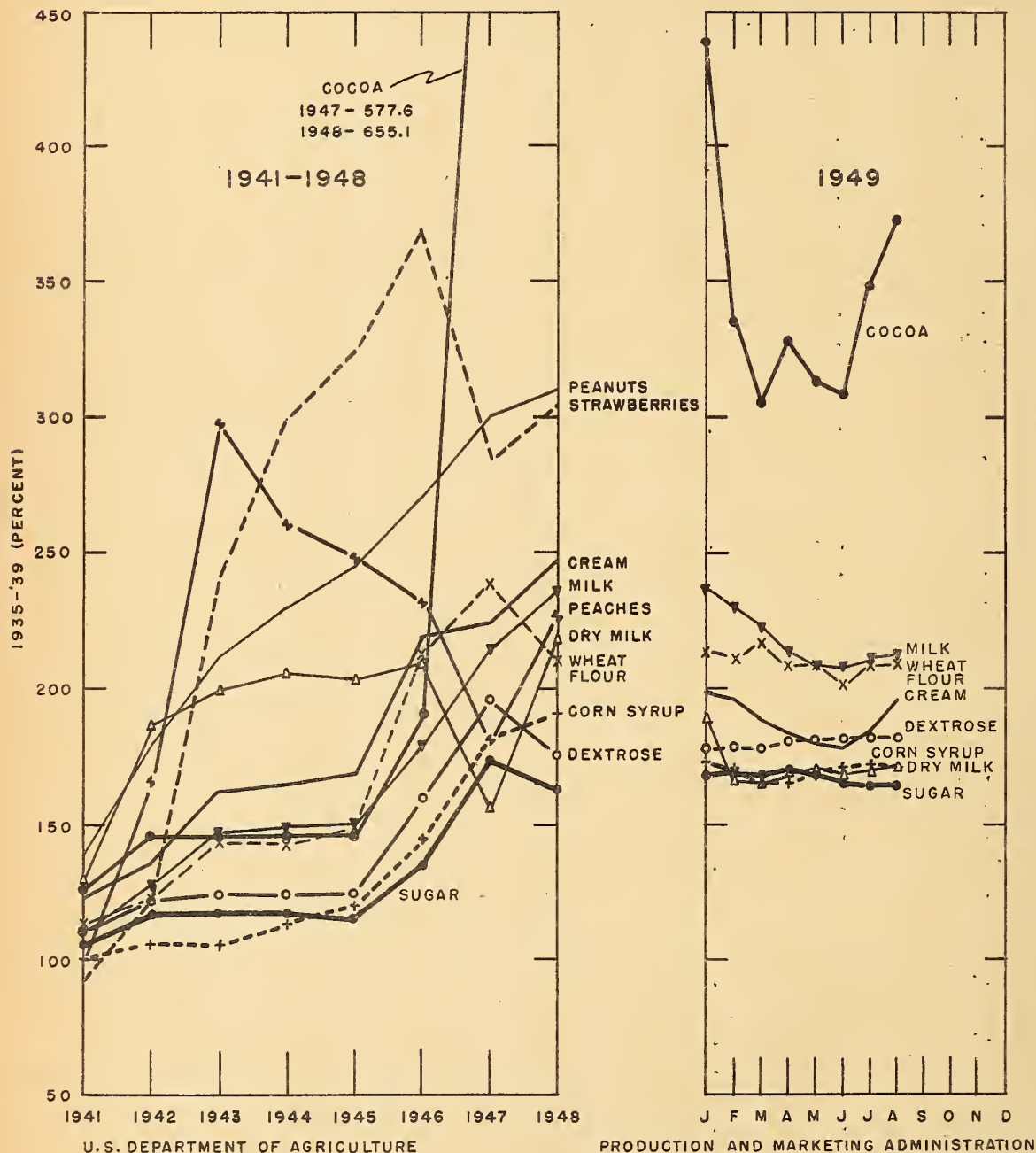
SUGAR PRICES AND RELATED DATA
Monthly 1947 to date

Period	PRICES (Cents per pound) :			PRICE INDEX NUMBERS (1935-39 = 100)				
	Raw Sugar:	Refined Sugar :	Refined Sugar :	All Foods	Consumers			
	Duty Paid:	Wholesale:	Retail:	Wholesale:	Retail:	Wholesale:	Retail:	Price
	N. Y.	N. Y. 1/2	US Avg:	N. Y.	US Avg:	US Avg:	US Avg:	Index
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1947								
January	6.02	8.09	9.5	170	177	198	184	153
February	6.12	8.20	9.6	172	179	205	182	153
March	6.13	8.20	9.7	172	180	212	190	156
April	6.18	8.25	9.7	173	181	205	188	156
May	6.18	8.25	9.7	173	181	202	188	156
June	6.18	8.25	9.7	173	181	205	190	157
July	6.18	8.25	9.7	173	181	211	193	158
August	6.30	8.38	9.7	176	181	218	196	160
September	6.32	8.40	9.8	176	182	227	204	164
October	6.32	8.40	9.8	176	183	225	202	164
November	6.32	8.40	9.9	176	184	225	203	165
December	6.32	8.40	9.9	176	185	226	207	167
Year	6.21	8.29	9.7	174	181	213	194	159
1948								
January	5.83	8.21	9.9	172	184	228	210	169
February	5.51	7.82	9.5	164	178	218	205	168
March	5.45	7.75	9.4	163	175	220	202	167
April	5.35	7.75	9.4	163	174	224	208	169
May	5.14	7.60	9.3	160	174	224	211	170
June	5.35	7.51	9.2	158	171	229	214	172
July	5.69	7.75	9.2	163	172	238	217	174
August	5.78	7.75	9.3	163	173	240	217	174
September	5.66	7.75	9.3	163	174	236	215	174
October	5.65	7.75	9.3	163	174	225	212	174
November	5.68	7.75	9.4	163	174	220	208	172
December	5.66	7.75	9.3	163	174	215	205	171
Year	5.56	7.76	9.4	163	175	227	210	171
1949								
January	5.69	7.99	9.4	168	174	210	205	171
February	5.65	8.00	9.4	168	175	204	200	169
March	5.68	7.96	9.5	167	176	206	202	170
April	5.65	8.10	9.5	170	177	206	203	170
May	5.78	8.02	9.5	168	177	207	202	169
June	5.86	7.87	9.5	165	177	205	204	170
July	5.83	7.85	9.5	165	177	204	202	168
August	5.88	7.85	9.5	165	177	203	203	169
September	6.01	7.90	9.5	166	178	205	204	170
October	6.02	8.05		169				

1/ Subject to 2 percent discount.

Sources: Column (1): computed from ceiling prices, CCC selling prices, and daily quotations; column (2): computed from ceiling prices and daily quotations; columns (3), (7), (8): B.L.S. monthly "Consumers' Price Index for Moderate Income Families in Large Cities"; column (4): computed from column 2 base, Table 9, Sugar Reports No. 3; column (5): B.L.S. Retail Food Prices by Cities; column (6): B.L.S. monthly "Average Wholesale Prices and Index Numbers of Individual Commodities" converted to 1935-39 base.

INDEX NUMBERS OF WHOLESALE PRICES OF SELECTED INGREDIENTS
IN SUGAR-CONTAINING PRODUCTS, ANNUAL 1941-48
AND MONTHLY, 1949
(1935-39 = 100)



Sugar prices are low in comparison with prices of other ingredients in sugar-containing products. Sugar prices were held relatively stable during most of the war period by use of consumer subsidies, rationing, and price control. After the termination of price control, sugar prices declined whereas prices of most other ingredients which are used in sugar-containing products rose. In 1949, wholesale sugar prices have averaged about 2 percent higher than in 1948.

Table 13.

INDEX NUMBERS OF WHOLESALE PRICES OF SELECTED INGREDIENTS IN
SUGAR-CONTAINING PRODUCTS, MONTHLY, JANUARY-AUGUST, 1949 ^{1/}
(1935-39=100)

Commodity	January	February	March	April	May	June	July	August
Sugar, granulated, f.o.b., New York, net cash	(1): 167.8	168.0	167.2	170.2	168.5	165.2	164.8	164.8
Dextrose, in bags, Chicago	(2): 177.7	178.0	178.2	181.8	181.8	181.8	181.8	181.8
Corn syrup, 42°, unmixed, f.o.b. New York	(3): 173.0	169.7	166.1	166.1	169.6	170.4	171.9	171.6
Cocoa, Accra, fair fermented, spot, New York	(3): 438.9	335.0	305.3	328.4	313.5	308.6	348.2	372.9
Wheat flour, hard winter short patents, Kansas City, season average price	(2): 213.0	211.6	216.4	209.9	209.9	202.1	209.9	209.9
Cream, 40% butterfat, average, N.Y., Philadelphia, Boston	(4): 198.9	196.8	188.1	183.4	181.5	178.3	184.9	195.5
Milk, 3.5% butterfat standard grade dealer's buying price	(2): 236.0	230.6	223.7	213.6	209.5	208.6	210.9	213.2
Dry milk, solids-non-fat, manu- facturer's selling price	(2): 189.2	166.1	165.8	169.3	170.1	167.8	169.0	170.0

^{1/} No information available for peanuts, strawberries, and peaches comparable to annual index numbers shown in Table 14.

Sources: Computed from data supplied by (1) Sugar Branch, PMA, (2) Bureau of Agricultural Economics,
(3) Bureau of Labor Statistics, and (4) PMA Market News Service.

Table 14.
INDEX NUMBERS OF WHOLESALE PRICES OF SELECTED INGREDIENTS
IN SUGAR-CONTAINING PRODUCTS, ANNUAL 1941-48
(1935-39 = 100)

Commodity	1941	1942	1943	1944	1945	1946	1947	1948	Jan.-Aug. 1949 Avg.
Sugar, granulated, f.o.b., New York, net cash	105.4	116.8	117.7	117.0	115.5	135.9	174.0	163.1	167.1
Dextrose, in bags, Chicago	111.0	123.9	124.7	124.9	124.9	160.9	196.6	175.4	180.4
Corn Syrup, 42°, unmixed, f.o.b., New York	100.1	105.9	105.6	114.7	120.9	144.0	181.2	192.1	169.8
Cocoa, Accra, fair fermented, Spot, New York	125.4	146.9	146.9	146.9	146.9	191.4	577.6	655.1	343.8
Peanuts, season average price received by farmers	138.4	180.3	211.5	238.9	245.7	270.4	300.1	310.5	n.a.
Wheat flour, hard winter, short patents, Kansas City, season average price	113.7	123.3	145.9	144.2	148.3	212.7	238.4	211.3	210.3
Cream, 40% butterfat, average N. Y., Philadelphia, Boston	123.0	136.2	163.5	165.1	169.1	219.7	223.9	246.1	188.4
Milk, 3.5% butterfat, standard grade, dealer's buying price	109.8	127.6	144.5	148.2	149.1	179.3	215.5	236.5	218.3
Dry milk, solids-not-fat manufacturer's selling price	130.0	186.9	199.5	206.0	203.1	209.6	156.8	218.1	170.9
Strawberries, all-commercial, season average by growers	93.6	120.0	238.9	299.2	324.9	368.7	284.9	304.5	n.a.
Peaches, season average price received by farmers	100.7	165.9	297.6	260.0	247.8	231.2	181.4	226.8	n.a.

Sources: Computed from data supplied by (1) Sugar Branch, PMA; (2) Bureau of Agricultural Economics;
(3) Bureau of Labor Statistics; and (4) PMA Market News Service.

n.a.: Not available.

REQUIREMENTS OF CONSUMERS IN HAWAII AND PUERTO RICO

Section 203 of the Sugar Act of 1948 requires the Secretary of Agriculture to ". . . determine the amount of sugar needed to meet the requirements of consumers in the Territory of Hawaii, and in Puerto Rico . . ." He must do so, ". . . in accordance with such provisions of section 201 of the Sugar Act as he deems applicable . . .". The amount of sugar distributed for consumption in Hawaii and Puerto Rico during the 12-month period ended October 31, 1949 and the population changes which have taken place in these areas are shown in Tables 15 and 16.

Table 15. DISTRIBUTION OF SUGAR BY PRIMARY DISTRIBUTORS FOR CONSUMPTION
IN PUERTO RICO AND HAWAII,
12-MONTH PERIOD ENDING OCTOBER 31, 1949
(1,000 short tons, raw value)

<u>1948</u>	<u>Hawaii</u>	<u>Puerto Rico</u>
November	1	7
December	2	13
<u>1949</u>		
January	3	5
February	4	7
March	5	8
April	2	10
May	7	12
June	4	7
July	3	7
August	3	9
September	4	8
October	3 <u>1/</u>	8 <u>1/</u>
Total	41	99

1/ Estimated.

Table 16.

POPULATION, DISTRIBUTION OF SUGAR BY PRIMARY DISTRIBUTORS
AND PER CAPITA DISTRIBUTION, IN HAWAII AND PUERTO RICO
1937-1948

<u>HAWAII</u>				
<u>Calendar Year</u>	<u>Population 1/ (000 omitted)</u>	<u>Distribution of Sugar by Primary Distributors</u>		
		<u>1,000 short tons raw value</u>	<u>pounds, per raw value</u>	<u>capita refined</u>
1937	401	31	154.61	144.50
1938	410	27	131.71	123.09
1939	416	31	149.04	139.29
1940	428	33	154.20	144.11
Avg. 1937-40	414	30	144.93	135.45
1941	463	37	159.83	149.37
1942	574	47	163.76	153.05
1943	637	63	197.80	184.86
1944	850	78	183.53	171.52
1945	812	68	167.49	156.53
1946	551	38	137.93	128.91
1947	545	36	132.11	123.47
1948	533	38	142.59	133.26
1949	n. a.			
1950	n. a.			

<u>PUERTO RICO</u>				
1937	1,777	72	81.03	75.73
1938	1,810	69	76.24	71.25
1939	1,844	62	67.24	62.84
1940	1,879	69	73.44	68.64
Avg. 1937-40	1,828	68	74.40	69.53
1941	1,926	78	81.00	75.70
1942	1,973	85	86.16	80.52
1943	2,012	97	96.42	90.11
1944	2,037	100	98.18	91.76
1945	2,070	117	113.04	105.64
1946	2,100	115	109.52	102.36
1947	2,149	125	116.33	108.72
1948	2,185	93	85.13	79.56
1949	n. a.			
1950	n. a.			

1/ Official estimates of Bureau of the Census; includes military personnel stationed in these areas.

N.A. - Not available.

Note: Distribution in Hawaii includes sugar used in manufacture of sugar-containing products shipped to mainland.

Table 17 BASIC SUGAR QUOTAS, DEFICITS, PRORATIONS OF DEFICITS, AND ADJUSTED QUOTAS, 1948 AND 1949

	Final 1948		1949 2/	
	Basic quotas	Deficits or prorations 1/	Basic quotas	Deficits or prorations 1/ Adjusted quotas
Domestic beet	1,800,000	(112,262)	1,800,000	(300,000) 1,500,000
Mainland cane	500,000	(86,740)	500,000	48,773 548,773
Hawaii	1,052,000	(227,000)	1,052,000	(400,000) 652,000
Puerto Rico	910,000	113,756	910,000	181,401 1,091,401
Virgin Islands	6,000	159	6,000	- 6,000
Philippines	982,000	(742,000)	982,000	(425,000) 557,000
Cuba	1,923,480	1,016,987	2,219,400	873,576 3,092,976
Other foreign countries	26,520	37,100	30,600	21,250 51,850
Total	7,200,000		7,500,000	

1/ Quantities in parentheses represent deficits declared for the areas shown; those not in parentheses are prorations of deficits to areas shown.

2/ As of November 10, 1949.

COMPARATIVE DATA FOR DOMESTIC SUGAR-PRODUCING AREAS

A comparison for the domestic sugar producing areas of production, crop value, field worker requirements and related data is shown in Table 18. The differences in worker requirements as between the several areas are due in large part to the degree of mechanization achieved and the differences in product yield which is influenced by the length of the growing season. These data were taken from the best available sources but their accuracy varies from area to area. However, the data are believed to be sufficiently reliable to present a generalized comparison between the areas.

Table 18. Estimated Production, Crop Value, and Field Worker Requirements for Domestic Sugar Producing Areas
1948 Crop

Item	: Louisiana	: Florida	: Hawaii	: Puerto Rico	: Beet
				1/	: Area
Acreage harvested	273,941*	35,233*	100,042*	336,285*	670,000
Production:					
Cane or beets (tons)	5,459,637* <u>2/</u>	1,010,327*	7,542,613*	9,541,232*	9,024,611
Sugar (tons 96° raw sugar)	399,072*	78,805*	835,107*	1,108,261	1,310,127
Value of crop: <u>3/</u>					
Raw sugar	\$44,376,800	\$8,763,100	\$92,863,900	\$123,238,600	\$145,686,100
Molasses	3,186,500	636,000	4,667,600	4,627,500	5,333,958
Government	6,500,000	827,000	7,630,000	15,300,000	23,500,000
Total	\$54,063,300	\$10,276,100	\$105,161,500	\$143,166,100	\$174,520,058
Number of farms	6,200	25	30	13,650	31,429
Number of field workers	50,000	5,000	12,100	115,000	80,000
Average man-days worked per year per field worker	83	169	235	141	79
Yield per harvested acre:					
Cane or beets (tons)	19.9	28.7	75.4	28.4	13.5
Raw sugar (tons)	1.5	2.2	8.3	3.3	2.0
Percentage of sugar produced to cane or beets processed	7.31	7.80	11.07	11.62	14.53
Man-days per acre	15.3	24.0	28.4	50.0	9.2
Man-days per ton of cane or beets	.77	.84	.38	1.76	.68
Man-days per ton of raw sugar	10.2	10.9	3.4	15.2	4.6
Weighted average minimum wage per day of field workers <u>4/</u>	\$3.32	\$4.12	\$6.90	\$2.46	\$5.62
Weighted average prevailing wage per day of field workers <u>5/</u>	\$4.22	\$5.14	\$8.44	\$2.52	\$6.75

See footnotes on page 31.

Footnotes for Table 18

* Actual.

1/ 1947-48 crop.

2/ Gross weight. Net weight is 5,256,344.

3/ For comparability between areas 96° raw sugar valued at 5.56 cents per pound (average duty paid price for calendar year 1948); molasses valued at 9.7 cents per gallon (season's average price for Louisiana molasses) with estimated premium added for beet molasses.

4/ Based on time rates in wago determinations.

5/ Based on daily earnings of workers on time or piecework rate basis, exclusive of the value of perquisites for all areas, except Hawaii. For the beet area, the rate shown includes not only earnings of hand workers but also the earnings of workers in operations for which specific rates are not established in wage determinations.

PRESENT BARRIERS TO WORLD SUGAR CONSUMPTION AND TRADE

Within the past two years world barriers to consumption and trade in sugar have become more stringent than in prewar days. The immediate reason for this is the balance of payments difficulty, commonly referred to as the "dollar shortage" which since 1947 has forced many countries to cut back sharply on their purchases from dollar areas. Since consumer demand for sugar in most countries was still expanding and substitute supplies from non-dollar areas were not available in sufficient volume, very tight controls on sugar trade and distribution were considered necessary. Despite these controls, however, most countries consumed more sugar in 1948 than in 1947 because of higher domestic sugar production and ECA aid. In a few countries relatively low prices to consumers are maintained by governmental subsidies.

Sugar prices paid by consumers are lower in the United States than in most foreign countries. (See Table 19). In view of the relatively low sugar prices and very high consumer purchasing power, the cost of a pound of sugar is less burdensome to United States consumers than to consumers in any foreign country.

Very high consumer prices for sugar tend to be associated with low per capita consumption. Low consumer purchasing power also is associated with low per capita consumption.

Types of Controls

Almost all sugar-importing countries suffering from a dollar shortage have controls on imports and foreign exchange which apply to commodities generally, including sugar. Frequently, the government itself or a government-controlled monopoly acts as the sole importer, or permits private firms to import goods only against import licenses. In addition to such absolute restriction on imports, many countries impose tariffs and other taxes on imported sugar. Tariffs alone are not the major means of limiting imports or maintaining prices of sugar in most countries. (For tariffs and taxes on imported sugar, see Table 21)

In addition to restricting imports most governments intervene actively in the sugar trade within their own borders. Most importing countries which produce sugar are attempting to expand production at home and in their colonies. The British and French Empires, which represent a large percentage of world sugar consumption, have already made considerable progress toward self-sufficiency.

In many countries sugar distribution is subject to price control and rationing. As of March, 1949, over half the countries studied still had retail sugar prices set by the government, and about one-third had rationing at the consumer level. The levels of retail prices established reflect considerable differences in the sugar policies of the various governments. Countries such as the U.K. and Denmark set prices to primary distributors below cost-of-production in their domestic sugar industries, and make up the difference with subsidies. At the other end of the scale are such countries as Greece, Spain, Iran and French Morocco, where the government uses its monopoly position to obtain large revenues at the expense of the consumer. (In Greece 40 percent of the retail price is government profit.)

Rationing also reflects wide variations in policy. While it is still in effect in most low-price importing countries, it is also used by some countries with prices ranging above 15 cents, such as France, Finland, and Greece,--presumably to keep prices from going even higher. In other countries where no rationing exists prices are set high enough to curtail consumption.

Sugar Prices and Consumption

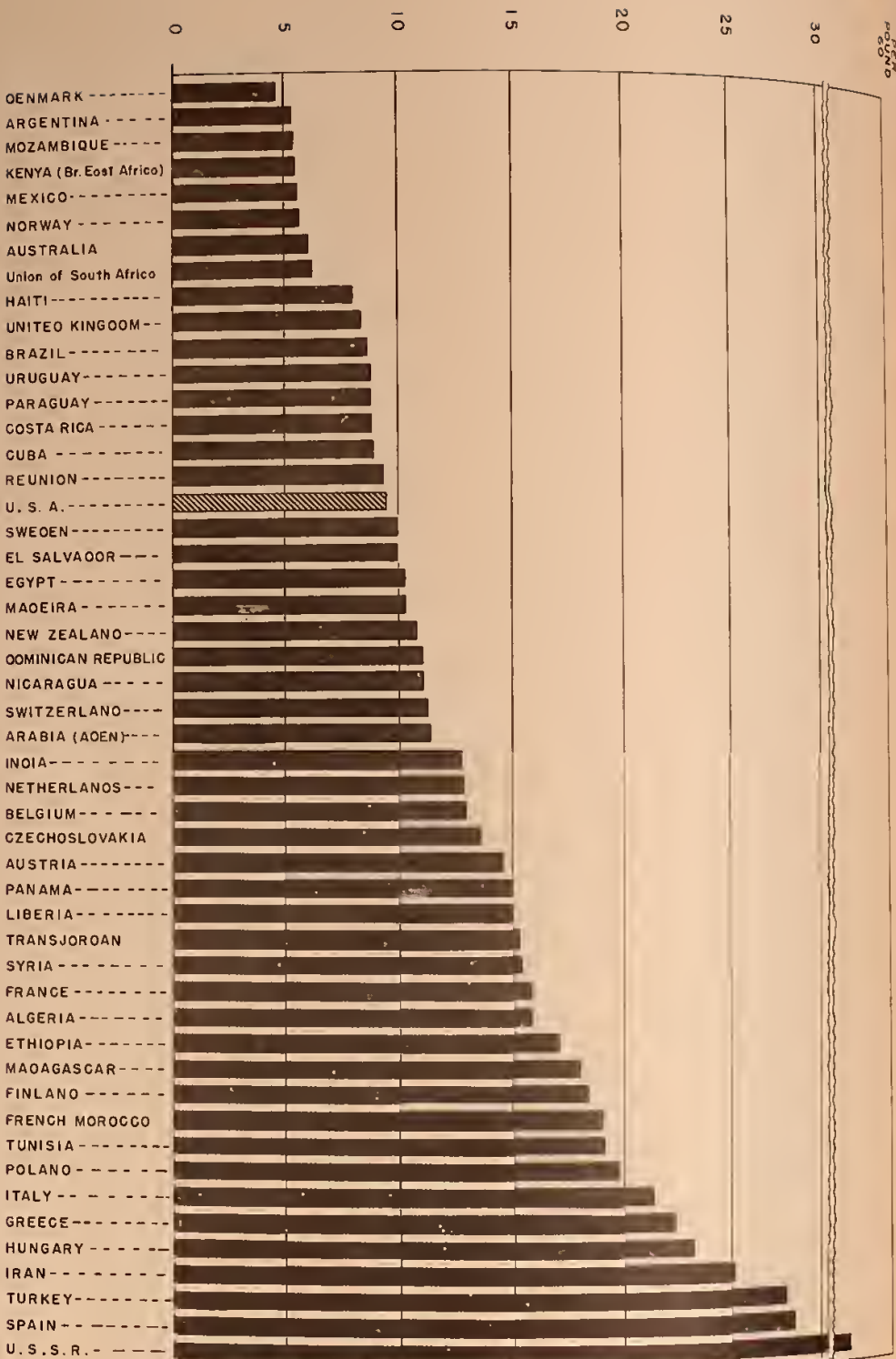
Retail prices of refined sugar and per capita consumption in selected countries are presented in Table 20 and Figure VIII. As of March 1949 about two-thirds of the countries studied had retail prices above the U.S. level. Most of those with lower prices do not import sugar, or they subsidize the cost of sugar to the consumer. As is to be expected from the foregoing discussion of controls, most prices are higher than they would be under free market conditions. If it is assumed that world sugar supplies are such as to produce a 4 cent price for raw sugar in Cuba, a theoretical free-market retail price may be obtained by adding to this 4 cent Cuban price, margins to cover freight, insurance, refining, and distribution (which for most parts of the world might amount to another 4 or 5 cents). On this basis, the excess of any retail price above 8 or 9 cents presumably reflects market restrictions.

Unfortunately sufficient information is not available to make a detailed analysis for all countries, but it is evident from Figure VIII retail prices in many countries in many countries exceed the theoretical free-market price by a larger margin than exists in the U.S.

High per-capita sugar consumption is generally associated with low prices (See Figure VIII). This relationship is not perfect. It is doubtless distorted somewhat by the artificial restrictions placed on supplies, and it is also true that economic factors other than price influence sugar consumption. Perhaps the most important of these other factors is consumer purchasing power. A price of 9.5 cents per pound undoubtedly is much less burdensome to U.S. consumers than the same, or even lower, price would be to consumers in most other countries.

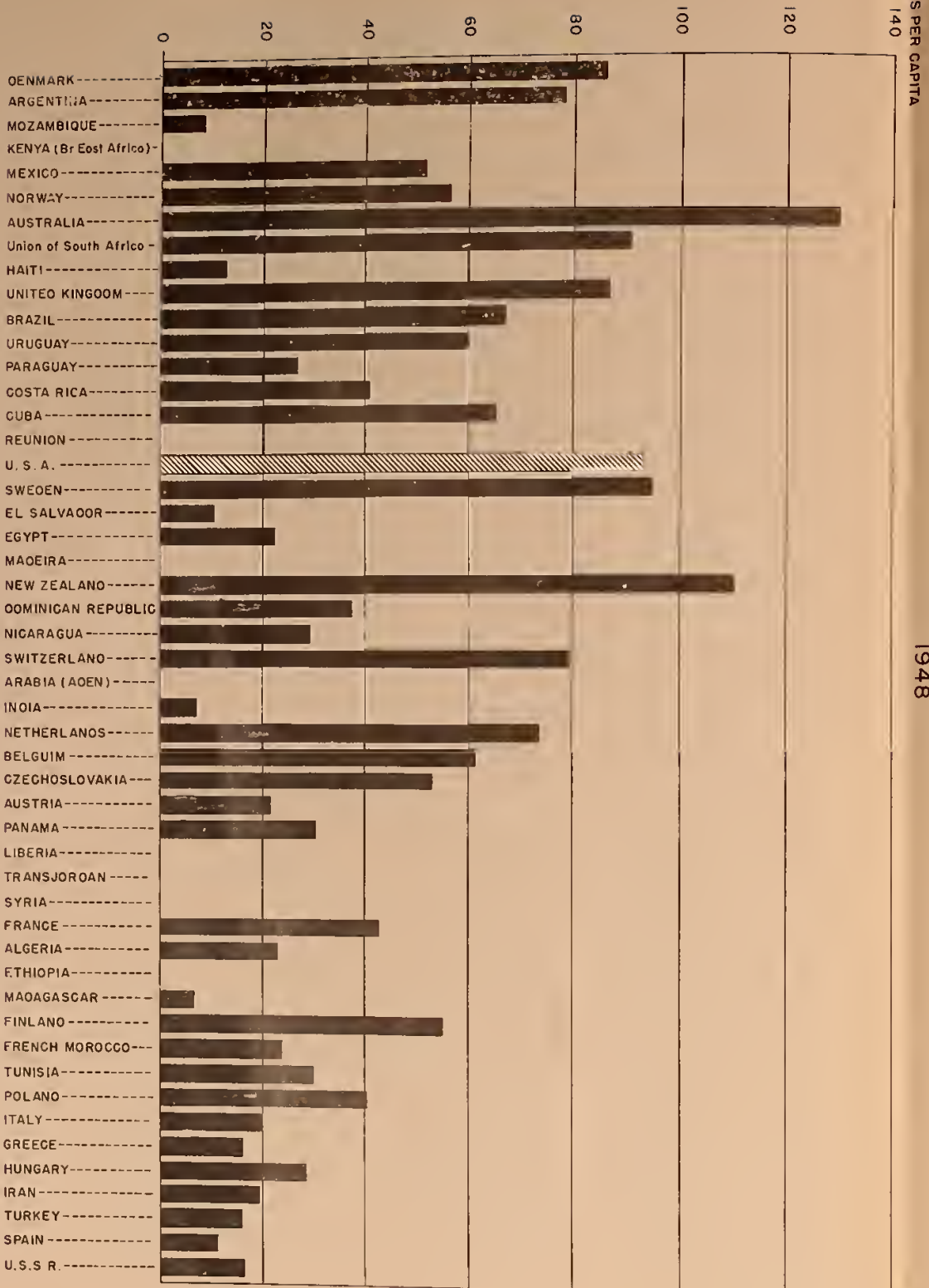
Historical Developments.

Retail sugar prices in selected countries in March 1949 were on the average about 3.5 cents, or 50 per cent, above those of May 1937. (See Table 20). The increase in the U.S. was slightly above average, but the change varied all the way from price decreases in some countries (Norway, Australia, Union of South Africa) to increases of more than 100 per cent (Brazil, Poland, Switzerland, Egypt, and India). Despite general price increases and other restrictions, per capita consumption was near, or had exceeded, prewar levels in most areas except the dollar-poor importing countries of western Europe, and some countries in the middle and far East, not shown in the table. This indicates a good possibility of greatly expanding world sugar trade and consumption should the present restrictions be lifted.



REFINED SUGAR CONSUMPTION IN SELECTED COUNTRIES
(POUNDS PER CAPITA)

1948



Sources: Based on data supplied by the U. S. Department of Commerce, the Office of Foreign Agricultural Relations (USDA) and the International Sugar Council.

The United States is among the countries having relatively low retail sugar prices. Among the countries having lower prices are several subsidizing the cost of sugar to consumers. Low prices tend to be associated with high consumption and vice versa. Other factors influencing sugar consumption are consumer purchasing power and restrictive governmental policies.

Table 19. RETAIL PRICES OF REFINED SUGAR
AND CONSUMPTION IN SELECTED COUNTRIES

Country	Price	Consumption
	U.S. cents per lb. (March 1949) 1/	Est. Pounds per capita, 1948
Denmark	4.63	85.9
Argentina	5.30	78.2
Mozambique	5.43	8.6
Kenya (Br. East Africa)	5.49	n.a.
Mexico	5.60	51.8
Norway	5.69	56.6
Australia	6.00	129.6
Union of So. Africa	6.25	90.3
Haiti	8.00	12.5
United Kingdom	8.40	86.3
Brazil	8.68	66.8
Uruguay	8.81	60.0
Paraguay	8.81	26.5
Costa Rica	8.82	40.9
Cuba	8.87	65.0
Reunion	9.45	n.a.
U. S. A.	9.50	93.0
Sweden	10.00	94.8
El Salvador	10.00	10.3
Egypt	10.31	22.0
Maderia	10.34	n.a.
New Zealand	10.84	109.9
Dominican Rep.	11.00	37.2
Nicaragua	11.00	29.0
Switzerland	11.28	79.3
Arabia	11.32	n.a.
India	12.70	7.1
Netherlands	12.78	73.5
Belgium	12.94	61.1
Czechoslovakia	13.61	52.9
Austria	14.61	21.3
Panama	15.00	30.1
Liberia	15.00	n.a.
Transjordan	15.34	n.a.
Syria	15.40	n.a.
France	15.86	42.7
Algeria	15.86	22.7
Ethiopia	17.00	n.a.
Madagascar	18.00	6.6
Finland	18.34	55.1
French Morocco	19.00	23.7
Tunisia	19.06	29.9
Poland	19.84	40.2
Italy	21.30	20.0
Greece	22.27	15.9
Hungary	23.18	28.6
Iran	25.12	19.4
Turkey	27.94	16.0
Spain	28.36	11.1
U.S.S.R	56.81	16.4

(Footnote on page 36)

Table 20.

COMPARISON OF RETAIL SUGAR PRICES AND CONSUMPTION IN SELECTED COUNTRIES, 1948-49 AND PREWAR

Country	Retail Price		Consumption ^{2/}	
	: U.S. cents per lb. ^{1/}		: Refined sugar (lbs. per capita)	
	: March	: May	:	:
	: 1949	: 1937	: 1948	: Prewar Average ^{3/}
<u>North America</u>				
U.S.A.	9.50	5.70	93.0 ^{4/}	97.2 ^{4/}
Canada	9.09	5.90	105.9	95.0
Cuba	8.87	4.00	65.0	76.4
Dominican Republic	11.00	6.00	37.2	25.3
<u>South America</u>				
Argentina	5.30	5.45	78.2	66.4
Brazil	8.68	3.17	66.8	45.9
Peru	3.35	3.28	45.4	28.5
Uruguay	7.88	4.01	60.0	56.0
<u>Europe</u>				
Czechoslovakia	13.61	9.49	52.9	52.4
France	15.86	8.83	42.7	52.7
Italy	21.30	14.57	20.0	15.7
Netherlands	12.78	12.06	73.5	73.9
Norway	5.69	7.20	56.6	66.8
Poland	19.84	8.52	n.a.	18.7
Switzerland	11.28	4.99	79.3	84.0
United Kingdom	8.40	5.14	86.3	108.2
<u>Other</u>				
Australia	6.00	6.56	129.6	106.5
Egypt	10.31	5.09	22.0	19.0
India	12.70	4.25	7.1	n.a.
Union of South Africa	6.25	6.62	90.3	54.5

n.a.: Not available.

^{1/} U. S. Department of Commerce.^{2/} Based on data supplied by Government and trade sources.^{3/} 1934-38 for Europe; 1935-39 for other areas.^{4/} Based on distribution by primary distributors. In 1948 additional quantities were undoubtedly consumed out of stocks acquired during the last half of 1947 after the termination of rationing and price controls.

Footnote for Table 19

^{1/} Conversions from foreign currencies were made on the basis of exchange rates effective in March 1949. For most countries, official rates were used. For some, such as France and certain Middle Eastern countries, blended or "free" rates were taken as more realistic.

Note: There are some differences between these prices and those published by Lamborn and Co. (SUGAR MARKET REPORT, August 25 and October 18, 1949). These differences usually result from the use of different exchange rates, or the selection of a different grade of refined sugar.

Table-21
DUTIES AND TAXES ON BEET AND CANE SUGAR IMPORTED FOR REFINING
IN SELECTED COUNTRIES, OCTOBER 15, 1949
(Raw Sugar 96° Basis unless otherwise Specified)

Country	Total Tax on Imported Sugar		Taxes on Imported Sugar		Consumption Taxes, Sales Taxes, etc.
	In cents per lb.	In Foreign Units	Import Duty	(percents are ad valorem)	
U.S.A.					
Cuba	1.00	-	\$0.50 per 100 lbs.)		Excise \$0.50 per 100 lbs. raw value
Other	1.19 1/	-	\$0.6875 per 100 lbs.)		
BRITISH EMPIRE:					
U.K. Colonial	0.18	1s4.8d per cwt.	1s4.8d per cwt.		
Preferential	0.55	4s.4.8d. per cwt.	4s.4.8d. per cwt.		None on imported sugar.
(Empire	1.01	8s.1.6d. per cwt.	8s.1.6d. per cwt.		None
Full-duty	1.16	\$1.287 per 100 lbs.	\$1.287 per 100 lbs.		None
Canada	None	None	Embargo on imports		None
Australia	1.51	1.3125d.	1-1/4d. per lb. plus		None
New Zealand			.0625d. surtax		
Ceylon:					
Refined	1.21	Rs 6.50 per cwt.	Rs 6.50 per cwt.		None
Unrefined	0.28	Rs 1.50 per cwt.	Rs 1.50 per cwt.		None
Federated Malay States	0.65	Straits cents 2	Straits cents 2 per		None
		per lb. 2/	lb. 2/		
Union of South Africa	1.74	12s.6d. per 100 lb.	12s.6d. per 100 lbs.		None
		(excl. 3s6d suspended)			
FRENCH EMPIRE:					
Metropolitan France 3/	146%	146%	130%		12½ percent duty-paid value plus transaction tax 1% of duty and tax paid value.
Algeria 3/	9.9%	9.9%	None		"Production" tax of 9.9 percent on imports.

1/ Except product of the Philippines; Philippine sugar duty-free, subject to quota since 1934.

2/ No duty charged by Singapore.

3/ Duty suspended indefinitely in 1943. Nominal French duty was reduced from 146% to 100% in the Annex Schedules of Tariff Concessions, October 1949; (not yet ratified)

Table 21
(Continued)
DUTIES AND TAXES ON BEET AND CANE SUGAR IMPORTED FOR REFINING
IN SELECTED COUNTRIES, OCTOBER 15, 1949
(Raw Sugar 960 Basis unless otherwise Specified)

Country	Total Tax on Imported Sugar		Taxes on Imported Sugar	
	In cents per lb.	In Foreign Units	Import Duty	Consumption Taxes, Sales Taxes, etc.
	(percents are ad valorem)		(percents are ad valorem)	
<u>FRENCH EMPIRE (Cont.):</u>				
Tunisia:				
Raw beet, all re- fined of French or Algerian origin	4% plus 0.20 9% plus 0.20	4% plus 150 francs. 9% plus 150 francs.	No duty. 1% customs formalities tax plus 3% "Transaction" tax. 5% duty plus 1% and 3% (as above)	Consumption tax: 150 francs (refined basis)
Other sugars				
French Morocco	14½% plus 1.56¢ or 28½%	14½% plus 1207 francs, or 28½%	12½% plus 1% stamp tax; plus 1200 francs or 14% tax on colonial products. 4/	Transaction tax: 1% gate tax: 7 francs.
<u>OTHER EUROPEAN:</u>				
Austria	2.15 plus 23%	47.38 plus 23%	26.38 shillings 4a/	Sugar tax: 21 shillings Turnover tax 2% plus 50% surtax plus stamp fee 20%
Benelux Union 5/ Belgium/Luxembourg	2.82 plus 9%	310.45 francs plus 9%	250 francs	Excise tax: 60 francs Transmission tax: 9% Stamp tax: 0.45 francs
Netherlands	5.43 plus minimum of 3%	44.38 guilders plus minimum of 3%	15.13 guilders	Excise tax: 27 guilders Crisis tax: 2.25 guilders Sales tax: 3% ad valorem, taxes and duty paid Import license and statistical fees: 0.1% to 0.75% Also a potential "monopoly fee".
4/ Sugar imported from the US would pay 110 francs instead of 1200.				
4a/ No customs duty charged on Cuban raw sugar imported under ECA program.				
5/ Benelux Union admits 16,000 tons of colonial sugar duty free annually. Import duties shown here are subject to adjustment to compensate for changes in relative values of Belgian and Dutch currencies since devaluation. An effort to standardize internal taxes is also being made.				

Table 21
(Continued)

DUTIES AND TAXES ON BEET AND CANE SUGAR IMPORTED FOR REFINING
IN SELECTED COUNTRIES, OCTOBER 15, 1949
(Raw Sugar 96° Basis unless otherwise Specified)

Country	Total Tax on Imported Sugar		Taxes on Imported Sugar	
	In cents per lb.	In Foreign Units	Import Duty	Consumption Taxes, Sales Taxes, etc.
	(percents are ad valorem)		(percents are ad valorem)	
OTHER EUROPEAN (Cont.):				
Czechoslovakia	6.21 to 10.00 plus 6% to 11%	68½ to 1100 crowns plus 6% to 11%	Per 100 Kilograms 600 crowns on raw or refined, plus 6% to 11% general tax.	Excise tax: Beet: 500 Cr. Other: 8½ Cr. Supplementary tax: 5 crowns (on sale of refined sugar by refinery).
Denmark	0.72	10.90 crowns	5.90 crowns 6/	
Greece:				
Refined Sugar 7/	4.83	154,000 drachmas	154,000 drachmas duty and surtaxes.	None
Hungary	38.56	1006.20 forints	156.20 forints	Turnover tax: 590 forints Manufacturing tax: 260 forints.
Italy 8/	5.95 plus 10% plus 2% on each transfer	8165.15 lire plus 10% plus 2% for each transfer	165.15 lire plus 10% import license fee	Manufacturing tax: 8000 lire, Turnover tax: 2% on each transfer.
Norway, Refined 7/	1.27	20 crowns	20 crowns	None
Poland	0.57 plus 2½%	500 zlotys plus 2½%	None, but import license required	Customs manipulation fee: 500 zlotys, Turnover tax: 2½%
Rumania	5.54	1828 lei	1793 lei	Turnover tax: 35 lei (refined basis) 2/

6/ Duty on sugar polarizing 86°-98° is 11.5 Cr. when not for refinery use
7/ Greece and Norway usually import refined sugar.

8/ As of May 19, 1949. At that time, revisions were expected but no later information is available. Pending revision, the customs collect, under a law of Dec. 14, 1948, a tax amounting to the difference, if any, between the cost of foreign sugar (including duty and above-mentioned taxes) and the wholesale price of domestic-produced sugar, minus such importer's compensation as may be established by the Minister of Finance.
9/ This tax becomes 137.44 lei per Kilogram for sugar sold off the ration.

Table 21
(Continued)

DUTIES AND TAXES ON BEET AND CANE SUGAR IMPORTED FOR REFINING
IN SELECTED COUNTRIES, OCTOBER 15, 1949
(Raw Sugar 96° Basis unless otherwise Specified)

Country	Total Tax on Imported Sugar		Taxes on Imported Sugar	
	In cents per lb.	In Foreign Units	Import Duty	Consumption Taxes, Sales Taxes, etc.
	(percents are ad valorem)		(percents are ad valorem)	
OTHER EUROPEAN (Cont.):			Per 100 Kilograms	
Spain:				
Government imports	3.67	90.74 pesatas <u>11/</u>	4.41 gold pesatas <u>11/</u>	Consumption tax: 75 pesatas
Private: Treaty nations <u>10/</u>	12.16	299.91 pesatas	63 gold pesatas	
Other	25.64	632.85 pesatas	157 gold pesatas	None
Sweden	0.61	7 crowns	7 crowns	
Switzerland:				
For State refinery	1.89	18 francs	18 francs	None
Other raw	2.54	24.3 francs	22 francs	Sales tax: 2.30 francs.
ASIA AND AFRICA:				
Aden (Arabia)	None	None	None	None
Egypt	6.31 plus 7%	££4.84 plus 7%	££2.80 <u>12/</u> plus 10% surtax plus 7% ad val.	Excise tax: ££ 1.760
Hashemite Jordan Kingdom				
(formerly Trans- jordan) Refined	1.02 plus 5½%	LP 0.8 plus 5½%	LP 0.8	Total internal taxes: 5½%
India	2.34	Rs 12/9.6 per cwt.	Rs 10/8 plus 20% total duty per cwt.	None
Iran: Raw and refined	3.88 plus 17%	275 Rials plus 17%	125 Rials plus 16% <u>13/</u> plus 1%	Monopoly tax: 125 Rials Road tax: 25 Rials

10/ To date there are 24 treaty countries.

11/ 1 gold pesatas equals 3.57 paper pesatas.

12/ Raw for refining. Duty on other raw sugar is ££ 3.00.

13/ These rates apply to Government imports. Special permission to import sugar sometimes given private firms which must pay 10 Rials per Kilogram tax and sell at fixed prices.

Table 21
(Continued)
DUTIES AND TAXES ON BEET AND CANE SUGAR IMPORTED FOR REFINING
IN SELECTED COUNTRIES, OCTOBER 15, 1949
(Raw Sugar 96° Basis unless otherwise Specified)

Country	Total Tax on Imported Sugar		Taxes on Imported Sugar	
	In cents per lb.	In Foreign Units	Import Duty	Consumption Taxes, Sales Taxes, etc.
		(percents are ad valorem)	(percents are ad valorem)	
ASIA AND AFRICA (Cont.):				
Siam	3.41	150 baht	150 baht	per 100 kilograms None
Syria and Lebanon: Refined	23% plus 4.69	23% plus 35 Syrian pounds	20%	Excise tax: 35 Syrian pounds; Other: 3%
Turkey: Refined (granulated)	18.49	TL 113.89	TL 15 plus 15% surtax	Total internal taxes: TL 96.64
CENTRAL AND SOUTH AMERICA:				
Argentina	0.76	6.632 gold pesos 14/	Duty and surtax: 6.632 gold pesos	None
Brazil	19.81 plus 2%	801 Cr. plus 2%	728 Cr. plus 10% surtax plus 2%	None on imported sugar
Chile	2.81	30.9 gold pesos	30 gold pesos plus 3% surtax	None
Costa Rica	4.33 plus 72%	54.06 Colonos plus 72%	Duty and surcharges 51 plus 3.06 plus about 72%	None
Honduras	2.47 plus 8%	L11.10 plus 8%	L6.00 plus L5.10 surtaxes plus 8%	None
Paraguay	1.38 plus 11%	9.45 plus 11%	4.45 guaranies plus 11%	Consumption tax: 1 guar. Industry support tax: 4 guar.
Peru	4.51	60 sole	60 sole (raw and refined)	None
Uruguay	0.24	1 peso	1 peso	None

14/ 1 gold peso = 2.27 paper pesos.

Table 21
(Continued)

DUTIES AND TAXES ON BEET AND CANE SUGAR IMPORTED FOR REFINING
IN SELECTED COUNTRIES, OCTOBER 15, 1949
(Raw Sugar 96° Basis unless otherwise Specified)

SUGAR REPORTS

Country	Total Tax on Imported Sugar		Taxes on Imported Sugar	
	In cents per lb.	In Foreign Units	Import Duty	Consumption Taxes, Sales Taxes, etc.
	(percents are ad valorem)		(percents are ad valorem)	
CENTRAL AND SOUTH AMERICA (Cont.):				
Venezuela:				
Government imports	None	None	None	None
Private imports	240.00	BS 1600	BS 1600	None
			Per 100 Kilograms	

NOTE:

The duties and taxes shown in this table are based on data supplied by the U. S. Department of Commerce. In some cases information on internal taxes is believed to be incomplete. Moreover, it is not always clear whether excise and other internal taxes are based on raw or refined value. Even where refined value is specified, no attempt has been made to convert to raw value as no reliable information is available on polarization, and the error if any is believed to be slight.

Conversions from local to U.S. currency are on the basis of exchange rates prevailing in October 1949. For most countries, official exchange rates were used, though some "free" rates were substituted where these appeared more realistic.

U. S. Department of Agriculture

Production and Marketing Administration
Sugar Branch

NOVEMBER 1949

<u>INDEX</u>	<u>Page</u>
Acreage	30
Distribution	
Continental United States.....	4, 11
Hawaii and Puerto Rico.....	27
Employment	
Levels.....	13
Number of employees in certain industries.....	14
Hawaii.....	27
Income	
Average weekly earnings in certain industries.....	15
Farmers Cash Receipts.....	17
Industrial Workers.....	17
Personal Income in United States.....	12
Wages of Field Workers.....	30
Population	
Continental United States.....	11
Hawaii and Puerto Rico.....	28
Prices	
Consumers' Price Index.....	23
Ingredients of sugar-containing products.....	25
Raw Sugar.....	23
Received for sugar beets and sugarcane.....	18
Sugar, in relation to other foods.....	22
Sugar, Retail.....	23
Sugar, Wholesale.....	20, 23
Wholesale, in United States.....	19
Production	
In domestic areas.....	30
Per worker.....	16
Puerto Rico.....	27
Quotas.....	29
Stocks	
Household.....	8
"Invisibles".....	6
Primary distributors'.....	5
Sugar Act.....	2, 3
World Consumption and Trade.....	32

